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MARKETING & MEDIA DECISIONS

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NEW YORK PAPERS ◆ BUYING CLOUT ◆ FROZEN ENTREES

MARKETING & MEDIA DECISIONS

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Effective print planners must overcome buying complexities with a thorough understanding of the magazine process and the options available.

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CABLE

Margaret Rosser
Senior vice president, media director, Campbell-Mithun-Esty, New York

TRAVELERS' PACKAGE DEALS

Cable is making a mint these days, and the huge cash flow is bankrolling all sorts of ventures by cable operators. Their goal is to fulfill the original promise of cable tv for quality programing. That spells trouble for the broadcast networks: As new and improved programing and a multitude of choices lure more viewers and advertisers, the Big Three's audiences will continue to erode.

We anticipate that cable will achieve 70% penetration of U.S. tv households (HH) by 1995 and that the three networks' audience share will decrease to 55% by that time. In fact, network viewing in cable HH has already fallen to that level.

CABLE PENETRATION/ NETWORK SHARE (PRIME)

	Cable	Network
1980	21%	85%
1985	46%	73%
1988	51%	66%
1995*	70%	55%

Source: A.C. Nielsen;
**1995 figures are Wm. Esty estimates.*

It is no longer uncommon to hear that agencies recommend to clients, "Buy more cable." All indicators are on the upswing: viewing audiences, ad revenues, programing successes and financial clout.

More and more advertisers are using cable for targeted opportunities (the rating is smaller but the demographics are superior). Also, there are a myriad of opportunities in the promotional area. Advertisers love the additional impact that can be created with some of the combination cable packages, including promotional add-ons.

We call them the "super cable packages," and one client that has traditionally utilized cable tv, Hartford, Ct.-based The Travelers, has added several of these packages to their plan. Two are aimed at the upscale consumer segment:

I. **Arts and Entertainment**

Sponsorship of seven mini-series:

- *Vanity Fair*
- *Divided Union*
- *The Living Planet*
- *Hollywood: The Golden Years*
- *Agatha Christie Mystery*
- *Durell in Russia*
- *Footsteps: Great Archeological Discoveries*

Print and tv promotion:

Print

- Editorial and advertising support in A&E monthly guide.
- *TV Guide*
- *Cable Guide*
- Sunday magazines
- *New York Times*
- *Vanity Fair*

Television

- Tune-in promercials starting week prior to opening and continuing for duration of series.

Promotional support

- Gala-event launch party in Hartford, including tv and press coverage with mayor, civic leaders, The Travelers executives and agents.
- Study guide (including editorial on The Travelers sponsorship) to secondary educators throughout U.S., 25,000 high schools.
- Mini-series companion volumes mailed to key executives/agents.

II. **The Discovery Channel**

Sponsorship of The Travelers showcase.

- Series sponsorship promoted nationwide through print and tv.
- Editorial and advertising support in Discovery's monthly magazine.
- Community launch party with tv coverage for Hartford area leaders.
- Special promotion to secondary educators.

To strengthen the overall advertising effort to The Travelers small-business target audience, we included:

Nation's Business Today

Sponsorship of *Small Update*.

- Insertions in *Nation's Business* magazine including editorial on tv sponsorship.
- Free insertions in *The Business Advocate*, the Chamber of Commerce newspaper (also includes free promo ads for tv sponsorships).

Promotional opportunities included:

- The Travelers representation on Small Business Council.
- Meeting with Chamber of Commerce president to discuss small-business initiatives.
- Joint ventures between The Travelers and U.S. Chamber Small Business Committee.
- Invitations to The Travelers key staff for briefing on small-business opportunities of the U.S. Chamber.

For the "corporate" and "working women" specialized efforts, we turned to:

Cable News Network

- Sponsorship of *Business Morning* and *Moneyline* business/news shows, with sports events parties/entertainment.
- Sponsorship of *Women in Business* features, with promotional seminars on topics in the financial services area.

Edward Faruolo, director of corporate advertising and promotion for The Travelers, believes, "The abundance of creative and impactful choices that are available in cable television today allow us to reach our target audience in a media environment that is more relevant to their lifestyle or business interests. In addition," he continues, "we are able to leverage our advertising presence through the promotion and merchandising programs that are provided."

The Travelers is taking full advantage of the dramatic changes in America's television viewing habits with its utilization of the many creative and effective multi-dimensional packages that are available in the world of cable television.

Thus, we can see the growth of cable being driven by the rapidly expanding choices of attractive, alternative programing available to viewers and programing and promotional packages for advertisers. ■

SPOT TV

Donald J. Cole

Senior vice president/ media director, W.B. Doner and Company, Baltimore, Md.

THE FORGOTTEN DAYPART

We hear a great deal about cable television these days, and much of the attention that the medium receives is well deserved. Now that penetration is over 50%, many more advertisers find network cable useful as part of their mix — it is extremely efficient, moderately upscale in delivery and many of the networks are flexible and imaginative in putting together special promotions and sponsorships.

With all this activity going on in cable, it seems that many media professionals are neglecting an area in spot that has continued to provide excellent value for nearly a decade. The vehicle is cume packages on independents. Several years back, the Association of Independent Television Stations made an aggressive effort to sell agencies on the idea of cume packages. The concept was a sound one. Traditionally, broadcast negotiators always tended to "pay more to get more." That is, you would pay significantly more on a cost-per-point basis for spots with very high ratings than for lower-rated spots because of the large, unduplicated reach that top-rated shows provided. Most people felt that the premium for these showcase units was warranted.

The cume package was a way for independent stations to fight back. A package of carefully selected spots across an independent's lineup would behave like a schedule on network affiliates and at a significant savings. For a year or so, there was a big flurry in the trade press, and then things quieted down. Today, when we interview young planners with a few years' experience who wish to join us, some do not know what a cume package is. Others have never recommended them for client use.

Yet spot prime on affiliates continues to get more costly. And there is less value now to the premiums affiliates want due to the increasing fragmentation of viewing brought on by both cable and independent growth. So to us, cume packages make a great deal of sense. In fact, you can argue their case far more effectively now than ever before.

To illustrate the point, let us look at a cume-package example in prime-time. At Doner, we have dubbed prime on independents "the forgotten daypart." Using Arbitron's AID system, we chose a top-ten market. The trade-off was as follows: Three blockbuster prime-time units (average 20 household rating) versus two spots per night for 20 nights, Monday-Friday, in prime-time movies on the top two independents in the market. The equal dollar swap, then, was three units on affiliates versus 80 on independent prime movies. (We used meter AID to provide an empirical base for household delivery over the course of four weeks.) See the chart below for results.

Admittedly, these results are an extreme example. We chose three units on affiliates that were among the highest priced in the market. Nevertheless, the results shake you to the core when you realize that for the same money, you obtain nearly five times the GRPs, three and one half times the three+ reach and 30 more points in reach.

Prime-time cume packages on the indies deliver both viewers and savings.

Clearly, not every market has independents as strong as our top-ten test market. Careful individual market analysis is required before wholesale changes in strategy are made across an entire support market list.

Also, certain rules should be observed when buying movie packages. Avoid stations where movies are run with only four commercial interruptions. This often means your spot is

NETS, INDIES AND PRIME TIME

	Household Reach	Average Frequency	3+ Reach	Household GRP
Prime-time Network Affiliates	33.4%	1.8	9.8%	60.1
Independent A	44.8%	3.3	21.3%	147.8
Independent B	44.9%	3.3	18.9%	148.2
Independents Combined	63.9%	4.6	35.9%	296.0

Source: Arbitron AID

BRAND REPORT

No. 155: Frozen Entrees

FREEZER BURN

by Paula Schnorbus

Carl Sagan's world of "billions and billions" could very well apply to the frozen-entree category, which seems to debut a new product or line extension every time you visit the freezer case. These entrees gobbled up almost $2.7 billion in supermarket sales alone last year, says *Progressive Grocer* magazine. It's no wonder that coming up with a new star in the category has become about as daunting a task as landing on Mars.

Just a few years ago, "premium" frozen entrees began to stuff the freezer cases, but consumers, unwilling to fork over several dollars instead of a dollar or two, gave Swanson's Le Menu entrees, Conagra's Light & Elegant and Weight

ILLUSTRATION BY CAMERON EAGLE

FROZEN ENTREES' 1987 MEDIA EXPENDITURES (000)

	Total	Network* Television	Spot* Television	Cable TV* Networks	Syndicated* TV	Spot** Radio	Magazines	Sunday magazines	Newspapers***
[illegible]	11,623.8	6,646.7	391.0	85.4	1,410.9	–	2,235.7	854.3	–
[illegible]	7,352.8	–	5,288.7	–	–	–	2,073.6	–	10.7
[illegible]	6,158.2	387.6	2,201.8	8.1	–	294.4	2,810.5	–	453.8
[illegible]	5,470.8	4,229.2	120.5	197.7	622.5	–	91.8	98.9	54.6
[illegible]	3,139.7	–	–	–	1,719.8	–	990.2	471.4	158.3
[illegible]	110.7	–	–	–	–	–	–	–	110.7

*Sources: Leading National Advertisers; *Broadcast Advertisers Reports as reported to LNA; **Radio Expenditure Reports; ***Media Records. No network-radio or outdoor expenditures were reported.*

Watchers' Candle Lite meals the cold shoulder. The upshot: They were pulled from the shelves. Stouffer's Food Corp., which has been at the top of the heap with its higher-priced "red box" prototype and Lean Cuisine entree lines, found its volumes down between 7% and 10% last year, according to John McMillin, food industry analyst, for Prudential-Bache Securities. Meanwhile, the more wallet-conscious Weight Watchers, Banquet and Budget Gourmet's volumes were on the rise.

Now, following the lead of five-year-old Budget Gourmet, an upstart marketed as an upscale meal with a downscale price of $1.79, Conagra is test-marketing its copycat Sensible Chef entrees, while Stouffer's and its Lean Cuisine entrees are couponing more than ever.

The All American Gourmet Co., which makes Budget Gourmet, opened up its offerings three years ago with its Slim Select entrees. Now the company is test marketing the new Eating Right selection, a 14-entree line of low-calorie, frozen entrees that will be priced competitively with Lean Cuisine and Weight Watchers.

Referring to low-calorie and low-priced entrees, "Health and convenience drive the market," asserts Jack Ryder, vice president, general consulting, Glendinning Associates, a marketing consulting firm.

But let's not forget taste. According to *Consumer Reports*, only one in five readers said they eat frozen dinners for taste. If it's any reflection on the rest of the world, *Consumer Reports*' "trained taste panel" called now defunct Light & Elegant's chicken in cheese sauce "dry, tough and stringy with gamey, dark meat . . . mushy broccoli, rubbery mushrooms, stale and musty tasting." Mmmmm. But even Budget Gourmet didn't score with its French-recipe chicken with vegetables, which was described as "usually dry chicken chunks with gamey, chewy dark meat and tomato sauce more like oily broth."

However, Mona Doyle, president of the Philadelphia-based Consumer Network, says that surveys show people think frozen products are getting better and that they aren't the "real dogs" of some time ago. Industry observers say that as far as the higher-priced, fancy frozen entrees go — or came and went — consumers may have been turned off by the taste, not to mention the fact that they could get restaurant or deli food for the same price. But others may prove that this segment can succeed, though out of the freezer case. Doyle adds that, to date, not many people have been exposed to shelf-stable, microwaveable products, but those who have "think they are an overwhelmingly better buy than frozen foods."

Low calories and low prices drive the market.

Still, don't expect a little thing like taste to push frozen entrees by the wayside any time soon with more women working and microwave ovens infiltrating about two thirds of the nation's households. Mediamark Research Inc. reports that the kind of "female homemakers" buying frozen main courses are 35- to 44-year-old college graduates, the bulk of them full-time workers in the upper-income brackets. Science magazines were at the top of their magazine reading list, followed by news, photographic and business magazines — then epicurean. Sports programing, headed by golf, is what they watch on tv, and sixth on the list are prime-time sitcoms. (See chart on page 120.)

It is no secret that manufacturers spend millions on advertising their products to reach female homemakers, who do most of the grocery buying. Sources say that the introduction of All American Gourmet's Eating Right entrees alone will be close to $15 million, the same amount spent for all Budget Gourmet lines, which include side dishes, dinners and entrees.

But ask manufacturers about marketing plans, and they become just what they don't want consumers to become toward ingesting frozen entrees: tight-lipped.

Basically, the usual advertising vehicles, such as tv, magazines and couponing, are in the marketing and media plans. Manufacturers are also working with the trade more to get their products better play. One frozen-food buyer in the Midwest says that Stouffer's has come out with billback features they never had before. "They're finally doing what their competitors are doing," he says. "Stouffer used to

bring out new items, and it was almost, 'Take it or leave it, you will be forced to buy it because it's so good,' " he says facetiously. But with Budget Gourmet, says Jack DeMoulas, vice president, frozen food and dairy of the Market Basket Inc., which has 42 stores in Massachusetts and New Hampshire, "I can buy everything on deal with them all year long."

Chris Lowe, partner at Marketing Corp. of America, points out, "If you had to categorize across the store, the frozen-food case has been the focal point. In terms of doing deals and slotting allowances, the cost of doing business from the trade perspective is higher than in any other part of the store. It puts a strain on manufacturers for available marketing dollars." And you can't store frozen foods in the back room of a supermarket.

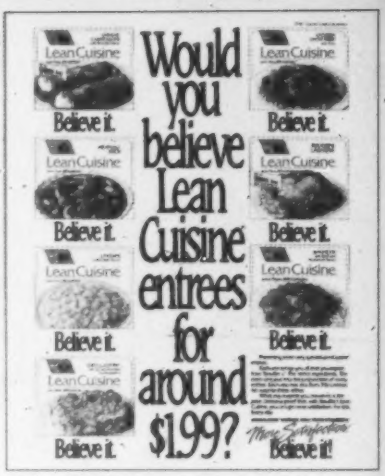
A marketing director from one of the big frozen-entree companies says that basically retailers tell him, "Give me bushels full of cash, and I'll take care of your product." They can afford to say that since their supply of shelf space can't possibly handle the exploding universe of product introductions.

That same explosion of entrees may also be scaring away potential brand loyalists. Consumers are complaining, " 'There are so damn many, I can't keep up,' " says Doyle. " 'I tried everything, and I can't even remember what I tried,' is what the consumer is saying."

Following are the six biggest frozen-entree brands based on 1987 overall retail sales, according to Business Trend Analysts Inc. They are Lean Cuisine, with 19%; Banquet, 17%; Stouffer's and Weight Watcher's, both 16%; Budget Gourmet, 11%; and Swanson, 10%. Keep in mind that the least expensive are Banquet, Budget Gourmet and Swanson.

LEAN CUISINE

Although the Lean Cuisine name and the notation on the package — "less than 300 calories" — may suggest that only dieters consume the entrees, a look at an ad suggests a bigger target. One magazine ad in particular shows an expensive leather briefcase, purse and gloves, car keys and the upper-right-hand corner of a newspaper, subtly but obviously the *Wall Street Journal*. A box of Lean Cuisine's veal lasagna lays on top of the leather goods, and the words at the top of the page read: "Don't forget your lunch box."



Lean Cuisine pushes price points.

Says Marguerite Tremelin, marketing services coordinator, "These are more upscale products and appeal to those with a fast-paced lifestyle, but they don't want to sacrifice quality for convenience."

Stouffer Corp. spent almost 10 years developing the Lean Cuisine product line, and Tremelin says that from the beginning, "Lean Cuisine was designed to appeal to a much broader audience than just dieters — people interested in lighter eating and maintaining their weight. It's a lifestyle rather than a diet mode."

Lean Cuisine was rolled out nationally in 1982 after 10 items went into test market a year earlier. There are now 28 entrees, including unusual offerings such as stuffed cabbage and herbed lamb. Lean Cuisine may average four to five new entrees a year.

The outside packaging hasn't changed much in the past six years, but inside half of the entrees are now on Stouffer's Dualon trays for microwave or conventional ovens. The trays are made of engineered plastic for high-heat resistance and are heat stable to 450 degrees. Fish dishes or some others with bread crumb remain on alu-

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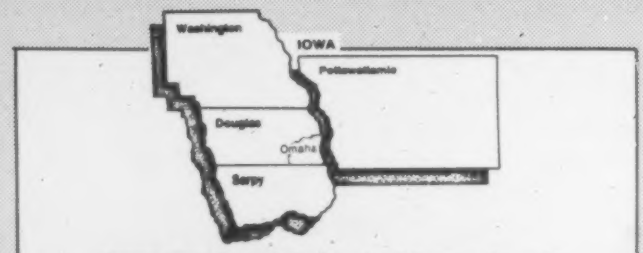

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*1988 Survey of Buying Power Sales & Marketing Management

minum trays because they work better for these meals in conventional ovens.

As Lean Cuisine features its Dualon trays, it also boasts that the American Heart Association says a Lean Cuisine diet plan, which includes an entree in each dinner menu, is in accordance with the association's dietary guidelines. The diet book, *On the Way to Being Lean*, has been around since the inception of Lean Cuisine. It includes coupons for the entrees and also Minute Maid orange juice, Light 'n Juicy low-calorie fruit beverage and Kellogg's Special K. Lean Cuisine's coupons have appeared on Special K boxes as well in a cross-promotion.

Another cross promotion was called "The Lite Show," and touted to be "a great-tasting combination under 391 calories." It "starred" Diet Coke, Lite Lite Tofutti and Lean Cuisine. Thirty-cents-off coupons were available for each of the products.

More competition has prompted more couponing in recent years, says Tremelin. It had been used mostly for new products. But late last year and earlier this year, a special ad campaign

Even upscale Lean Cuisine is couponing to keep up with rivals.

by agency Della Femina, McNamee WCRS, Pittsburgh, practically shouted, "Would you believe Lean Cuisine entrees for around $1.99?" Lean Cuisine entrees range from $1.89 to $3.99, with most around $2.29.

According to Leading National Advertisers and Broadcast Advertisers Reports, for the first quarter of this year, Lean Cuisine advertised on network, spot, cable and syndicated tv and also magazines and Sunday magazines. About $5 million was reported in media expenditures, with tv getting the bulk and magazines coming in second. The 30- and sometimes 60-second spots, says BAR, have appeared on *ABC News This Morning*, *All My Children*, *Mr. Belvedere*, *Donohue*, *Hour Magazine*, *Jeopardy* and *Entertainment Tonight*. On cable, the entrees have appeared on TBS' movie presentations and *National Geographic*.

LNA reports, for the first half of the year, Lean Cuisine ads were in magazines such as *American Health*, *Cosmopolitan*, *Bon Appetit*, the *Los Angeles Times* and the *New York Times* magazines, *Southern Living*, *Sunset* and *Working Mother*.

BANQUET

Conagra's Banquet features a variety of entree presentations, such as Family Entrees that can feed mom, dad and a couple of kids; Cookin' Bags, which were the answer to not heating the oven; and Banquet Supreme, which is Banquet's answer to good food at a good value.

Tom Studer, vice president of marketing, Conagra Consumer Frozen Food Co., which markets Banquet, says that although Banquet Supreme is being sold at cut-rate prices — as low as $1.29 — it can't really be compared to the Budget Gourmet. Conagra's Sensible Chef is positioned more closely to the Budget Gourmet, both of which have more of a "linguini with clam sauce" upscale appeal, while Banquet Supreme, which has eight entree offerings, has a "lasagna" or family appeal. Banquet entrees always target the family, or a more "blue-collar-oriented," broad target of those 25 to 49 with a $25,000 and under annual household income.

New items aren't being added to the 15 or so boil-in-bag entrees that retail about 69 cents each because "they aren't as convenient as they used to be," says Studer. Studer says the Cookin' Bag business is "pretty much flat and the category is flat. It keeps chugging along, whereas we think the introduction of a line of entrees of dual-ovenable trays is on the move."

The family entrees, which average about $1.99 each at retail, have 16 different items. Banquet entrees have always been pushed through consumer promotions such as free-standing inserts (FSIs), direct mail, ROP and localized programs through the trade.

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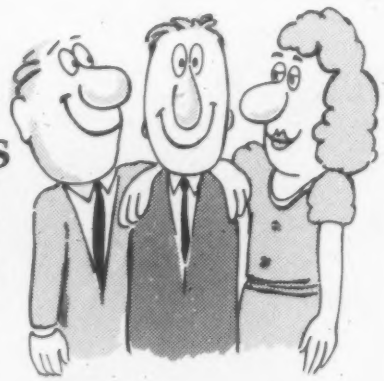

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Morning & Sunday

With FSIs, Studer says "[illegible]pany has a tendency to be a [illegible]gher on circulation lists than most people. You have to be careful to balance the costs of running promotional activity with what you realistically get back for it." Co-op advertising is used heavily because "the retailer knows how to sell products to his customers better than anyone else," says Studer.

D'Arcy Masius Benton & Bowles recently put together five 30-second tv spots, some of which may be tailored to promote certain Banquet items. "I can piece together a spot for everything we have," explains Studer. "Three spots sell what Banquet is. The other spots can be snapped together to support specific products in the line."

The advertising budget has increased, but Studer won't reveal how much. "If the advertising works, it will be increased a lot more," he hints. Banquet as a brand allocates "substantially over $10 million" toward its ad budget, says Studer.

The Family Entrees and Cookin' Bags really rely on newspaper advertising and FSIs, but Banquet Supreme is getting much broader media support with some tv and more use of print such as in women's service magazines.

Banquet Supreme has a "lasagna," or family, appeal.

STOUFFER'S

We have Stouffer's to thank for frozen entrees, born 34 years ago. The marketing message remains the same: quality, convenience and variety. These have been promoted since day one, says Marguerite Tremelin, marketing services coordinator.

There are now 56 entrees for the regular line, or "red box" as some call it, ranging in price from 99 cents to $2.99. Stouffer's, like Lean Cuisine, also has been price promoting against its competitors, for example through increased couponing, and also playing up the quality aspect of Stouffer's name. One magazine ad reads, "If you can have 32 different entrees priced about $2 each, and they all have the name Stouffer's, why would you buy anything else?" Della Femina, McNamee WCRS, Pittsburgh, is the agency. Tremelin says that for all of the Stouffer brands, "Every year or so, we have a lot of new creative developed for each of the brands to keep things fresh." New creative was also developed for five new tortellini dishes that were rolled out this year.

Recently, Stouffer's had its first major change on its outside packaging in more than 25 years. The food picture

They gave up their fighter aircraft for airline tickets and private planes. Their tanks are now mini vans, and their tents are four bedroom brick homes. They are a major consumer group, but don't think you can reach them with your regular media plan.
Veterans don't spend their lives waiting in line for the same thing that everyone else has ...they already tried that.
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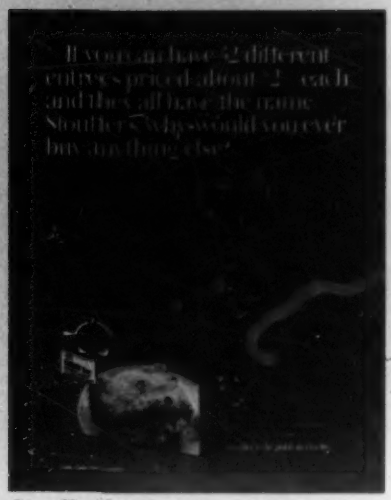


Stouffer's sell is the quality of their products.

got larger and the Stouffer name easier to read. Also Stouffer's Dualon container is noted in a little flag on the front of the box to show if it can be heated in either a microwave or conventional oven.

The target audience is pretty much the same as Lean Cuisine, and that is upscale but with a fairly broad reach. Tremelin describes it as one- and two-member households where one or both people are working.

For the first quarter of 1988, LNA reports that Stouffer's spent $3.4 million in ad expenditures. Commercials appeared on spot tv in 35 markets on shows such as *Family Ties, The Today Show, Wheel of Fortune* and *Entertainment Tonight*, according to BAR. According to LNA, in the first half of this year, Stouffer's frozen entrees were advertised in *Bon Appetit, Better Homes and Gardens, Cosmopolitan, Ladies' Home Journal, Life, Metropolitan Home, New Woman, People, Reader's Digest, Redbook, Smithsonian, Southern Living* and *Sunset*.

WEIGHT WATCHERS

"This is Living" may be the long-running tagline of Weight Watchers, but it also may be the tagline of the company itself, which has been gaining ground through the years.

A consistent vision is the key to Weight Watchers success, says Douglas Haines, general manager of marketing, Foodways National Inc., which distributes Weight Watchers. "We've had a good consistent balance," he maintains. "We've stuck with the same advertising campaign with the consistent message of good taste," Haines says, referring to the campaign with spokeswoman of five years, actress Lynn Redgrave. That's been complemented by a promotional program that includes couponing. "We work hard to get displays in stores and get retailers to feature us at a reduced price."

The "This is Living" campaign with Redgrave is continuously evaluated to determine its effectiveness. "We continue to find that it's more than viable," gushes Haines. "[Redgrave] is a credible, effective spokeswoman." The actress gained fame through her role as the zaftig "Georgy Girl" and lost weight through the Weight Watchers diet program.

Weight Watchers' 35 entrees, priced at $1.89 to $2.89, are targeted to primarily female, weight-conscious frozen-meal users who are 25 to 54 years old and make more than $25,000 a year. "We think working women are probably our most important subsegment," says Haines. "I think the employment status is more important than age or income. To the working woman, time is money."

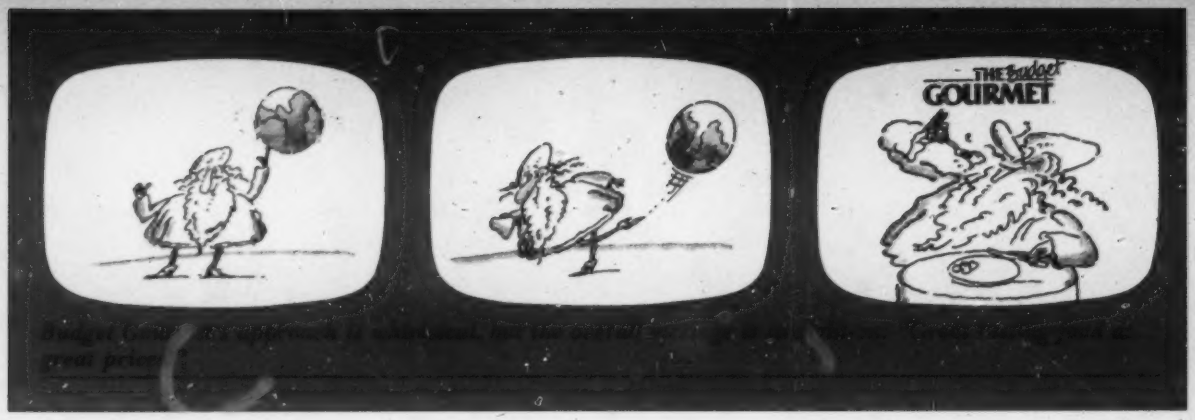
Weight Watchers went through a "major across-the-line reformulation" in the early 1980s, says Haines. The outside box was changed then because it was "much less appetizing and the colors were used poorly." By 1986, the microwaveable tray was introduced, so if a Weight Watchers entree isn't in a boil-in-bag, it's on a microwaveable tray, even if it's fish. "We worked with the coating to make it reconstitute more crisply in the microwave," explains Haines.

Tv is the primary advertising medium for the entrees. "We generally have a good presence in prime time, fringe and prime access. Network, spot, cable and syndicated tv are used, and BAR lists *ABC Monday Night Movie, Dallas, MacGyver, 48 Hours, Divorce Court* and *Wheel of Fortune* as some of the more recent tv shows used. On cable, the entrees have appeared on Cable News Network, USA, CBN and TBS, according to BAR. Spots are 15- and 30-seconds.

Haines says the entrees participate in a "fairly substantial magazine plan. Anything from the Seven Sisters to *Vogue* or fitness books like *Shape* and, of course, *Weight Watchers* magazine. Newspaper ROP ads haven't been used because the ads "look much better in color," says Haines. Newspapers have been used in selected markets, such as Jewish newspapers in New York and Philadelphia. FSIs are dropped three to five times a year through direct mail or Sunday newspapers. Radio isn't widely used. DDB Needham Worldwide is the agency.

Promotionally, Weight Watchers is always on the lookout for companies to be tie-in partners. Last year, the company ran a joint promotion with Diet Coke and Kellogg's Special K cereal. Free-standing inserts and coupons on the cartons were used. Weight Watchers also sponsors a women's cycling team.

Haines says last year's LNA estimate of $3.1 million in expenditures is "awfully low." He puts last year's media expenditures as more to the tune of $10 million. LNA also reports that for the first quarter of 1988, about $6 million was spent on the entrees.



BUDGET GOURMET

Here's a product that has made the other frozen entrees shudder in their cases. Budget Gourmet's entrees, born five years ago, cost only $1.79 for the regular entrees and $1.89 for the three-year-old Slim Selects. But last year Budget Gourmet commanded an 11% market share based on retail sales.

Paul Olson, director of marketing for the All American Gourmet Co. that is the brains behind Budget Gourmet, now a unit of Kraft Inc., says All American has almost tripled in size from three years ago. He adds that the marketing is very regional, and the fundamental message hasn't changed: "Great tasting food at great prices."

"We try and coordinate our marketing efforts with trade customers as much as possible," explains Olson. "We try to be flexible in terms of the local broker and what his needs are in terms of timing." He adds, "We want them to push our product hard, so we give them the tools to do it," such as price promotions and coupon drops. "We'll buy space in their tv programs, too," says Olson.

There are 14 Budget Gourmet entrees and also 14 Slim Select entrees, which also may be cooked in the microwave, box and all. Olson says that Budget Gourmet let the Cajun frozen food trend pass them by, but they just introduced four new Mexican items, two for each of the entree lines.

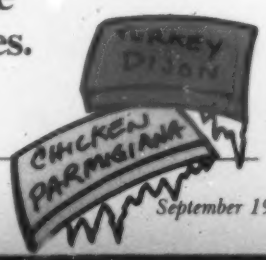
Women are the primary target for Budget Gourmet products, especially for the Slim Selects. More specifically, the target is middle-class women who may or may not be short on time. "Men play an important role, but women do most of the grocery shopping," reasons Olson, who says single men are part of the audience, but they have discretionary income and tend to eat out more than women with responsibilities at home.

The media used to reach the target is varied. "There are not a lot of vehicles we haven't used," says Olson. "We are very small, very flexible and very entrepreneurial. There's nothing we won't dig into," including 15- and 30-second commercials aired on network and spot tv, 60-second radio spots, ROP ads in newspapers, FSIs, consumer and trade magazines.

There also are regional sponsorships and on-pack couponing, such as a joint effort with Coca Cola and also Diet Pepsi Free. Another promotion was for consumers to buy a number of Budget Gourmet packages and get $50 to $100 off the next vacation. There also have been sweepstakes with Diet Pepsi Free and Tab in certain markets and a mail-in offer for lunch bags that keep frozen food frozen.

For the first quarter of this year, LNA reports that Budget Gourmet spent $998,200 on the regular entrees and $1.9 million on the Slim Selects. BAR says that Budget Gourmet advertised, for example, on *She's the Sheriff*, *Divorce Court* and *Benny Hill*. For the first half of 1988, Budget Gourmet advertised in *Good Housekeeping*, *McCall's*, *Ladies' Home Journal* and *People* magazines.

Swanson is going after America's "traditional" frozen-entree consumer with its new Homestyle Recipe Entrees.



SWANSON

As the Swanson aluminum frozen dinner tray finds its place in the Smithsonian Institution, so goes Swanson off in search of new demographic groups to conquer with its microwaveable, plastic-tray-encased Swanson Homestyle Recipe Entrees, introduced in June 1987.

At about the same time the aluminum trays were dropped last year, the entrees made their debut. "Historically," says Daun Kauffman, marketing manager, "entrees were the icing on the cake to the four-compartment dinner business, or we grew them independently." The four-compartment dinners consist of three dinner components and a dessert. Two-compartment entrees came along and then the one compartments last year, which outnumber the two-compartment entrees by two to one. There are currently 11 single-compartment and six two compartment entrees.

Kauffman says that the single-com-

partment entrees are positioned and marketed to attract traditional entree consumers who are older and live in a $30,000 a year, one- to two-person household with no children. By contrast the four-compartment dinners are geared to lower income, larger households with children.

"We hadn't been competing with entrees in the past, but we've successfully attracted different groups," boasts Kauffman. The biggest competition comes from Stouffer's regular or "red box" entrees, as well as Budget Gourmet. Regarding Swanson's competitors, Kauffman says, "People haven't thought about Swanson as an entree, certainly not in the same frame of reference."

The Homestyle entrees, which are below $2, had been even less expensive, but the new plastic trays are pricey, so a $1.29 entree went up to $1.49. When the Homestyle entrees came out last year, there were three price points. Chicken cacciatore and seafood creole with rice boil-in-bag entrees were more than $2 each, the highest price point, and were designed for image enhancement to "stretch beyond what people think Swanson is," explains Kauffman. However, says Kauffman, boil-in-the-bag entrees are less convenient, so those products have been dropped, though a bag of spaghetti and meatballs remains.

In addition to price points and plastic tray, the outside packaging was revamped on the Homestyle entrees. Now, the fresh ingredients, such as maybe a tomato or another raw component of the entree, are depicted, even nestled, in the corner of the package front. The brand name is placed in an area that gives the subtle hint of a recipe card — hence Homestyle Recipes. The entrees were also improved, says Kauffman. For instance, a veal patty was turned into veal parmigiana with the addition of sauce and cheese. Gravy was added to salisbury steak,

Swanson has nixed aluminum trays for its entrees.

which also got a new recipe for its complimentary macaroni and cheese.

Swanson's 15- and 30-second tv commercials air on network and cable. For the introduction of the entrees last year, a wide mix of media was used, including prime, daytime, sports and news. No radio or magazines are used currently. Local marketing is managed by 21 regional offices that do newspaper advertising, primarily ROP. FSIs are used also. Hal Riney & Partners is the agency.

LNA reports that $1.8 million was spent on ad expenditures for the first quarter of 1988. According to BAR, Swanson Homestyle Recipe entrees were advertised on the Barry Manilow special, *ABC World News, Our House, 227* and *Star Trek-The Next Generation*. On cable, *Celebrity Chefs* and the *Young People's Special* are a sampling of programs. ■

WHAT'S WRONG WITH THIS PICTURE?

(HINT: KANSAS CITY HAS BEEN OVERLOOKED)

Overlooked? We're used to it, even though we're a strong market for big-ticket appliances, overpowering places like San Francisco, Pittsburgh, Seattle, New Orleans and Milwaukee.

Even some major marketers have made the mistake of leaving out Kansas City when they make top 20 or 30 buys. But the ones who have looked closely at national rankings and at the vitality of the Kansas City market know better. They know that among other things, KC is a Top-30 performer in auto sales (#20), drugs and health/beauty products (#24) and food store sales.

KC also places considerably above the national average in purchases of alcoholic beverages, petroleum products and insurance.

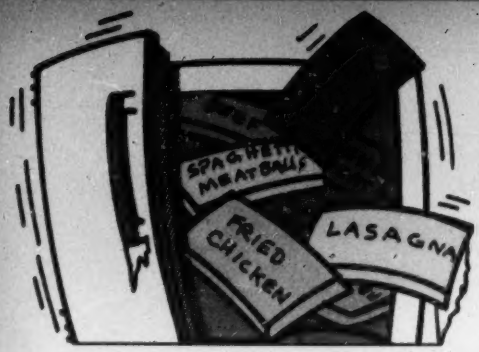
Once you've discovered KC, choosing the most effective ad medium is easy: It's The Star & Times. Our Sunday readership alone (753,000) humbles the competition. Weekdays, we reach two-thirds of households with $50,000+ incomes.

Before you put together your marketing plan, look closely: If you've overlooked Kansas City there's something wrong with that picture. Call our general advertising manager, Jack Hines, at 816-234-4179 today for more on the must-buy KC market.

Sources: SBP '87 and Belden Associates - represented nationally by Cresmer, Woodward, O'Mara & Ormsbee Inc.

CHECK THE SOURCE

The Kansas City Star & Times

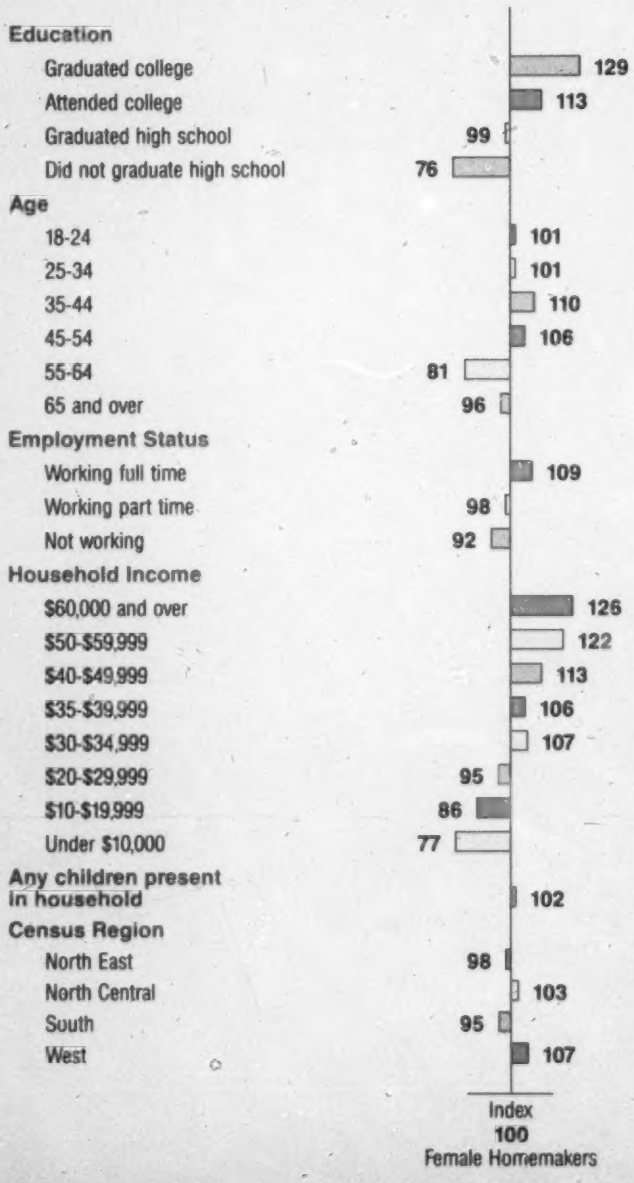


BRAND REPORT INDEX

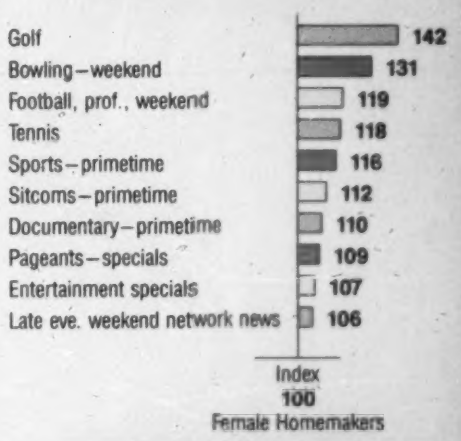
FROZEN ENTREES

How to read: Our indices of user demographics and media preferences are used to indicate the direction and amount of difference from the average. The index of the average is, by definition, 100. Thus, an index of 112 reflects a 12% above-average incidence. An index of 89 indicates an 11% below-average incidence.

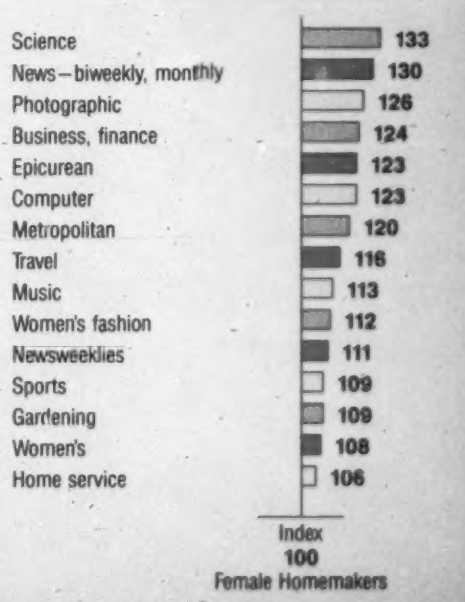
FROZEN MAIN COURSES
Key Demographics of Users



FROZEN MAIN COURSES
TV Program Types Viewed
By Frozen Main Courses Users



FROZEN MAIN COURSES
Magazine Types Read
By Frozen Main Courses Users



Source: Mediamark Research Inc., Spring 1988

RADIO'S RESEARCH RATINGS

PRIMARY SOURCE: ARBITRON

There is no advertising-supported mass medium that is at once as complex and challenging for the advertiser as radio. When approaching the use of radio on the spot or non-network level, the buyer is faced with an arena consisting of over 10,000 radio stations, over 500 million radio sets (with 28% of these out of home) and advertising expenditures of over $6.5 billion dollars.

As if these numbers are not enough to deal with, advertisers and their agencies ask for radio-audience research in over 250 local markets that will supply data on all stations for at least 15 age/sex categories, a like number of dayparts and daypart combinations, all in average quarter-hour and cumulative numbers. For good measure, throw in things like different geographics, qualitative data, hour-by-hour, cume duplication and monthly trends. By the way, we say, please make it accurate.

In the quest for consistency in media-efficiency negotiations and demographic-target evaluations, either Arbitron or Birch must be designated as the primary research source to be used across all spot-radio markets. And since the basic methodology is so different (Arbitron's personal diary and Birch's telephone interview), hard decisions have been, and will continue to be, made by agencies that represent several advertisers.

Our agency's recent decision to retain Arbitron as the primary radio research service carries added significance since we are the largest spot-radio agency, placing $85 million annually on behalf of a long list of local and retail-oriented advertisers. The results of our evaluation pointed to an Arbitron advantage over Birch in larger sample sizes, a reduced need for market weighting, better trending ability, better cume data and more comprehensive listening-area analyses through county coverage and ADI groupings.

It is apparent that Birch is making an effort to improve their product in many of these areas and indeed provides higher response rates and valuable access to qualitative data. It is our opinion, however, that Arbitron still provides a superior product overall and that a movement by our agency to a new base of radio ratings is currently unwarranted.

One important aspect not always included in the evaluations is the difference between Arbitron and Birch as a day-to-day, hands-on buying tool. After all, spot radio is a very fast-paced medium. Flexibility is part of radio's attractiveness, and lead time is often short. Buyers need to be able to pick up a book, call up a screen or dial up a research-account rep and feel confident that the numbers they get are credible and easy to extrapolate for their needs.

We are fortunate at our agency to have our spot buyers actually located in most major markets and buying regionally for all markets. These buyers know the stations and the markets. They know that radio is more than numbers but that the ratings must serve as a reliable method to evaluate and substantiate buying decisions. In that respect, Arbitron has served us well.

Paula Bolouri is senior vice president/national director, regional buying operation, at Bozell Jacobs Kenyon & Eckhardt, Dallas.

OUR READERS TELL US . . .

Research USA, Chicago, reports that Arbitron is the service of choice for 64.0% of our reader sample of radio buyers and planners, while another 29.6% say they use both Arbitron and Birch's numbers. Only 4.0% use Birch alone. (Base = 125, unless otherwise indicated.)

1. What percentage of your total billings is in radio?

None	5.3%
1-5%	20.5%
6-10%	27.2%
11-15%	10.6%
16-20%	14.4%
21-25%	10.6%
Over 25%	10.6%
No answer	.8%

(Base = 132)

2. What percentage of your radio billing is spent in network radio?

0%	66.4%
1-9%	4.8%
10-19%	6.4%
20-29%	4.0%
30-39%	.8%
40-49%	1.6%
50-59%	2.4%
60-69%	.8%
70-79%	2.4%
80-89%	2.4%
90-99%	.8%
100%	6.4%
No answer	.8%

3. Are you changing this ratio of spot to network radio next year?

Yes	8%
No	88.8%
No answer	3.2%

If "yes," which will get an increased

POLL

PRIMARY SOURCE: BIRCH

The radio industry has received a much needed shot in the arm now that Birch is on the scene.

A major reason for the BDA/BBDO switch to Birch is a belief in the superiority of their methodology. Birch employs a telephone methodology using a pure random-digit-dial frame and a single-day, one-person-per-household interview. The results versus the diary method are a higher degree of participation and a greater geographic and demographic dispersion throughout.

Another reason for our switch is that Birch offers a broader measurement of audiences beyond age/sex breaks. There is the availability of single-source qualitative and product/service usage data in over 100 markets.

Radio is a premier target medium. The vertical-programing nature of radio (the use of formats rather than programs) likens it more to magazines than television. Each station serves a specific audience segment often defined on a highly selective basis. Take the Adult Contemporary format as an example: Current hit-oriented Adult Contemporary tends to deliver audiences that are socio-economically reflective of the overall adult market skewing more upscale.

This statement raises a question: How do we verify that individual formatted stations deliver these audiences?

Working with senior Birch management, we developed an entirely new approach to planning and buying radio, moving from a demographic to product-user orientation.

We use radio extensively to reach the airline traveler. Since we buy to a reach-and-frequency goal, past buys required the use of a broad-based station schedule to make the demographic goal.

Since only about 20% of the population are air travelers, buys made solely on demographics include a large segment of the population that are not potential customers.

Initially, Birch reported airline usage listeners from 6 A.M. - 12 midnight, Monday-Sunday. At our request, this data has been expanded now to a monthly measurement. Daypart data is now issued for each station in measured markets.

This single-source data has allowed the buyer to negotiate efficiencies on airline usage. A lesser number of stations are now needed to meet the campaign goal, resulting in more efficient buys and a savings to our clients.

Birch's innovative measurement techniques are helping to bring radio research in line with research for other media. Qualitative data and, in some instances, product-usage data exist for magazines (Simmons, MRI), newspapers (Scarborough) and television (Nielsen Audience Demographics).

Further development of the qualitative and product-usage data is necessary. Sample sizes must be increased, and station daypart data must be made available, as with the airline data.

If Birch seems a dream come true, in fact it is because it may help to show the unique benefits of radio as an advertising vehicle.

Stephen L. Sussman is the manager of planning, network programing and syndication at agency BDA/BBDO in Atlanta.

share of your radio dollars?

Network radio	50%
Spot radio	40%
No answer	10%
(Base = 10)	

4. Which do you feel is the main motivation for your radio buys?

Qualitative considerations (environment, targeting capabilities, listener attitudes, etc.)	43.2%
Quantitative considerations (reach, cost efficiency, etc.)	46.4%
Both	8%
No answer	2.4%

5. Which type(s) of radio programing do you use? (Check all that apply)

Top 40	76.8%
Talk show	66.4%
Classical	47.2%
Country & western	71.2%
Rock	73.6%
Easy listening	76.0%
All news	65.6%
Other	36.0%
For others:	
Black	4.0%
Appropriate to target area	2.4%
Sports	2.4%
New Age	4.0%
Public	.8%
Urban Contemporary	5.6%
Hispanic/MOR	4.0%
Adult Contemporary	12.0%
Oldies	.8%

6. Which radio-research service do you use in planning your network and spot radio buys?

Birch	4.0%
Arbitron	64.0%
Both Birch and Arbitron	29.6%
Neither	2.4%

ECONOMIC EYE

CABLE IN TOP DMAs

Nielsen's July cable report puts national penetration at 52.8%, but only seven of the top DMAs meet or surpass that: Philadelphia (53.6%); San Francisco/Oakland (56.8%); Boston (61.7%); Tampa/St. Pete/Sarasota (56.5%); Seattle/Tacoma (59.6%); Miami/Ft. Lauderdale (55.1%); and Pittsburgh (65.7%).

MAGAZINE AD SCORECARD

	Ad Pages July 1988	% change from July 1987	Dollars spent (000)	% change from July 1987
1. Skin Care, Creams, Lotions and Oils	72.32	−38.3%	$ 2,671.4	−26.4%
2. Lip and Eye Beauty Products	61.42	+116.8	2,720.8	+158.6
3. Scents and Fragrances	22.53	−33.3	600.4	−39.1
4. Facial Makeup Products	24.32	+14.1	907.8	+43.9
5. Prepared Dinners and Entrees (including Pizza)	16.20	−17.1	868.7	−17.2
6. Liquor	268.84	−5.3	12,415.9	+9.3
7. Cigarettes	491.50	−7.9	28,144.1	+2.2
8. Soaps and Detergents	37.87	−45.5	2,045.4	−49.8
9. Passenger Cars, Domestic	227.11	+1.4	11,395.7	+17.5
10. Passenger Cars, Imported	445.66	−19.2	21,106.6	+14.0

Source: Publishers Information Bureau as prepared by Leading National Advertisers

MEDIA COST INDEX

1985 = 100	1987						1988				
	Oct.	% change	Nov.	% change	Dec.	% change	Jan.	Feb.	March	April	May
Network TV											
Daytime	97	−6	91	−8	82	−4	92	80	82	78	76
Nighttime	110	+6	115	+8	111	+2	112	148	113	99	110
Spot TV											
Prime time	123	+3	123	+6	123	+6	128	130	115	125	126
Daytime	112	+2	113	+2	105	±0	123	108	98	95	103
Network radio	122	+6	112	+6	106	+6	147	129	121	116	116
Spot radio			112	+9				106			101
Consumer magazines	109	+3	111	+4	113	+5	114	115	115	115	115
Natl. Sunday mags	106	+12	106	+12	106	+12	117	116	116	116	116
Business publications	112	+5	113	+5	113	+5	117	117	117	117	117
Newspapers	115	+6	115	+6	116	+7	124	124	124	124	124
Outdoor	118	+12	118	+12	118	+12	123	123	123	123	123

Notes: Percentage shown is relative change from the same month/period the year before.
*Revised

Sources:
Nighttime Network TV—Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.
Daytime Network TV—Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.
Network Radio—Cost per average 30-second radio announcement from BAR's Network Radio Service.
Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.
National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.
Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per column inch of a sample of 764 newspapers weighted to represent the universe.
Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.
Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.
Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.